

DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	FY 2004 REQUEST	GOVERNOR RECOMMENDS FY 2004
Division of Administration	\$ 16,578,098	\$ 18,555,383	\$ 18,502,964	\$ 18,147,506
Division of Taxation	32,438,477	33,679,863	35,693,734	43,321,855
Division of Motor Vehicle and Drivers Licensing	32,311,207	36,447,337	36,737,064	37,057,213
Highway Reciprocity Commission	1,235,925	1,578,305	0	0
State Tax Commission	3,280,149	3,302,798	3,302,798	3,298,587
Refunds and Distributions	1,362,605,060	1,384,139,578	1,446,292,465	1,446,142,465
State Lottery Commission	119,232,583	123,509,516	127,525,516	127,566,885
DEPARTMENTAL TOTAL	\$ 1,567,681,499	\$ 1,601,212,780 *	\$ 1,668,054,541	\$ 1,675,534,511
General Revenue Fund	1,185,491,091	1,187,587,534	1,276,361,911	1,276,584,959
Federal Funds	494,644	3,479,453	3,479,453	8,048,678
Child Support Enforcement Collection Fund	0	0	0	2,398,293
Health Initiatives Fund	134,393	92,402	137,061	137,572
Gaming Proceeds for Education Fund	323,803	25,000	323,803	323,803
Gaming Commission Fund	49,075	25,000	49,075	49,075
Division of Aging Elderly Home				
Delivered Meals Trust Fund	10,800	21,604	21,604	21,604
Solid Waste Management Fund	32,409	25,000	32,409	32,409
Petroleum Storage Tank Insurance Fund	22,888	23,615	23,615	23,896
Motor Vehicle Commission Fund	672,194	679,133	736,133	741,623
Conservation Commission Fund	504,985	506,054	540,663	561,177
State School Moneys Fund	191,721	17,000	191,721	191,721
Department of Revenue Information Fund	892,082	949,764	963,732	969,722
State Highways and Transportation				
Department Fund	82,213,918	94,053,028	67,475,031	67,689,928
Workers' Compensation Fund	526,203	1,669,902	1,669,902	1,669,902
Second Injury Fund	700,725	498,966	248,966	248,966
Lottery Enterprise Fund	119,232,583	123,509,516	127,525,516	127,566,885
Petroleum Inspection Fund	30,236	30,809	30,809	31,161
Motor Fuel Tax Fund	175,914,612	188,000,000	188,000,000	188,000,000
Fair Share Fund	85,210	3,000	85,210	85,210
Aviation Trust Fund	157,927	16,000	157,927	157,927
Full-time equivalent employees	2,221.71	2,206.77	2,209.27	2,194.70

* Does not include \$9,175 recommended in the Fiscal Year 2003 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding Department of Revenue supplemental appropriations.

POLICY SUMMARY

The Department of Revenue serves as the primary revenue collection agency for the State of Missouri. The department strives to ensure that all taxes and fees owed the state are paid, taxpayers are served conscientiously and efficiently, and revenues are collected at minimal administrative expense.

A weakened economy and considerable growth in mandatory programs like Medicaid has resulted in the most significant challenge the state has faced since the Depression. The Fiscal Year 2004 budget includes substantial core reductions. However, the budget also recognizes that the state cannot cut its way out of the current fiscal problems without severely reducing essential services provided to Missourians. General revenue budget increases have been limited to mandatory programs. Governor Holden's priorities are protecting the state's investment in education and ensuring that our most vulnerable citizens – children, the elderly, and disabled – are shielded to the greatest extent possible from budget reductions.

DEPARTMENT OF REVENUE

POLICY SUMMARY (Continued)

Enhanced Collections

The Department of Revenue is responsible for administering Missouri tax laws and collecting revenue due to the state and local taxing jurisdictions. The department is responsible for contacting individuals and businesses that have unpaid tax liabilities and performing appropriate collection procedures. The collection activities include billing and assessing unpaid taxes, filing liens, pursuing bad checks, certifying delinquencies to local prosecuting attorneys, and making referrals to independent collection agencies. Ensuring that individuals and businesses remit their share of taxes and fees owed to the state is essential if taxes and fees are to be kept at a minimal level while still generating sufficient revenue to fund important state services. In the Fiscal Year 2004 budget, Governor Holden recommends:

- \$1.9 million to generate an additional \$14 million in general revenue collections through:
 - Hiring auditors for computer-assisted audits.
 - Hiring part-time evening and Saturday telephone staff.
 - Focusing taxpayer service representatives on making outbound calls.
 - Conducting on-site sales tax license revocations.
 - Adding criminal investigation agents to assist in efforts to enforce tax compliance.
- \$2.5 million to generate \$7.3 million, including \$4.9 million in general revenue, by upgrading the department's collection system using a benefit-based agreement between the state and a private vendor. The vendor will only be paid provided the system enhancements generate new revenue in excess of an agreed upon baseline.

Implementing Legislation

The Governor recommends \$450,575 to implement legislation passed during 2002 including:

- SB 895 that requires the department to mail motor vehicle titles to the owner of the vehicle rather than the lending institution if there is a lien on the vehicle, and also makes changes regarding liens on manufactured homes. The department will be required to send an additional 1.1 million pieces of mail annually.
- SB 675 that requires motor voter applications be mailed from branch and fee offices within five days of completion of the application. Postage costs will increase due to the more frequent mailings to county election authorities.

Some performance measures the Department of Revenue uses to evaluate its goal of efficiently serving Missourians follow.

	2000	2001	2002
Average number of days to process an individual income tax refund			
– Tax forms submitted before April 15*	4.7 days	3.4 days	4.4 days
– Tax forms submitted after April 15*	14.1 days	12.1 days	11.6 days
Delinquent individual taxes collected (millions)	\$91.3	\$75.5	\$67.0
Delinquent business taxes collected (millions)	<u>\$117.9</u>	<u>\$116.9</u>	<u>\$121.1</u>
Total	\$209.2	\$192.4	\$188.1

*Excludes tax returns with mistakes and tax returns containing property tax credit claims.

DEPARTMENT OF REVENUE

DIVISION OF ADMINISTRATION

The Office of the Director is responsible for the processing and enforcement of tax and licensing functions. The administrative staff is responsible for all budgetary, accounting, and fiscal operations of the department. The legal counsel assists the divisions with their respective statutory functions, provides research and legislative assistance, and oversees the filing of administrative rules. The personnel office is responsible for recruiting and training employees, in addition to maintaining personnel records. The general services staff provides custodial, mail, and motor pool services. The criminal investigation bureau investigates suspected tax, motor vehicle, and driver's license fraud, and prepares cases for prosecution.

Fiscal Year 2004 Governor's Recommendations

- \$529,064 for postage rate increases, including \$270,161 general revenue.
- \$312,115 to implement legislation, including \$43,667 general revenue.
- \$13,442 other funds to accurately apportion postage costs among applicable funds.
- \$52,327 for pay plan, including \$18,894 general revenue.
- \$666 transferred from Statewide Leasing.
- (\$552,000) core reduction for one-time expenditures.
- (\$363,327) and (6) staff in core reduction from the Fiscal Year 2003 appropriation level, including (\$214,020) general revenue.
- (\$230,304) state highways and transportation department fund and (7) staff reallocated to the Division of Motor Vehicle and Drivers Licensing.
- (\$169,860) state highways and transportation department fund and (3.5) staff reallocated to the Division of Taxation.

DIVISION OF TAXATION

Division of Taxation staff prepares tax forms, processes returns, maintains records of tax revenues, and assists the public. The central processing bureau is responsible for the initial processing of tax returns and related documents. The field audit bureau is comprised of seven Missouri offices and four out-of-state offices. Field staff audits sales/use, motor fuel, and corporate income taxes. The tax administration bureau is responsible for administering the financial institutions tax, city and state sales/use taxes, motor fuel tax, cigarette tax, individual income tax, corporate income tax, employer withholding tax, inheritance tax, and senior and disabled citizen tax credits. The taxpayer assistance bureau is responsible for collecting unpaid taxes and provides assistance to taxpayers.

Fiscal Year 2004 Governor's Recommendations

- \$1,912,699 and 45.5 staff to generate additional general revenue collections.
- \$329,294 for pay plan, including \$294,082 general revenue.
- \$7,875,168 and three staff transferred from the Department of Social Services, including \$909,781 general revenue.
- \$169,860 state highways and transportation department fund and 3.5 staff reallocated from the Division of Administration.
- \$4,662 transferred from Statewide Leasing.
- (\$469,691) and (6.57) staff in core reduction from the Fiscal Year 2003 appropriation level.
- (\$180,000) core reduction for one-time expenditures.

DIVISION OF MOTOR VEHICLE AND DRIVERS LICENSING

The Division of Motor Vehicle and Drivers Licensing is responsible for titling, taxing, and registering motor vehicles and motorboats, and for administering the mandatory automobile liability insurance program. The drivers licensing bureau issues and renews operator and commercial drivers' licenses and maintains records of these transactions. The motor vehicle bureau titles and registers motor vehicles and marine vessels, and collects sales/use tax, city sales tax, and other vehicle charges. The motor vehicle bureau is also responsible for licensing motor vehicle manufacturers, motor vehicle dealers, and boat dealers in Missouri. When circumstances warrant such action, this bureau performs field investigations to determine whether license revocation proceedings should be undertaken. The field services bureau oversees 180 branch and agent offices that provide drivers' licensing, motor vehicle titling, and registration services. Branch offices provide individual driver's licensing, motor vehicle titling, and registration services in the metropolitan areas. These offices are responsible for collecting, depositing, and accounting for all applicable taxes and fees, and provide information and assistance to Missouri citizens.

Fiscal Year 2004 Governor's Recommendations

- \$138,460 state highways and transportation department fund and two staff to implement legislation.
- \$128,250 state highways and transportation department fund for increased license plate production costs.
- \$386,190 for pay plan, including \$3,122 general revenue.
- \$230,304 state highways and transportation department fund and 7 staff reallocated from the Division of Administration.
- \$1,332 transferred from Statewide Leasing.
- (\$274,660) and (15) staff in core reduction from the Fiscal Year 2003 appropriation level, including (\$57,076) general revenue.

DEPARTMENT OF REVENUE

HIGHWAY RECIPROCITY COMMISSION

The Highway Reciprocity Commission is responsible for annual registration of commercial vehicles for interstate operation. Through the Multi-State Agreement, Uniform Proration Agreement, and International Registration Plan, the commission has entered into reciprocal agreements with all other states and four Canadian provinces to ensure proper registration and collection of fees from regulated commercial vehicles.

Fiscal Year 2004 Governor's Recommendations

- (\$1,578,305) state highways and transportation department fund and (35) staff transferred to the Department of Transportation.

STATE TAX COMMISSION

The State Tax Commission is responsible for maintaining equalized assessed land valuations among Missouri's 114 counties and the city of St. Louis. In carrying out these responsibilities, the commission hears appeals from local boards of equalization on individual cases and corrects assessments that it determines to be unlawful, unfair, or arbitrary. The commission also establishes the taxable valuation for public service and utility companies operating in Missouri.

Fiscal Year 2004 Governor's Recommendations

- \$9,027 for pay plan.
- (\$13,238) core reduction from the Fiscal Year 2003 appropriation level.

**DEPARTMENT OF REVENUE
REFUNDS AND DISTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	GOVERNOR RECOMMENDS FY 2004
Refunds from General Revenue Fund	\$ 1,116,640,512	\$ 1,110,600,000	\$ 1,201,800,000
Article X Refunds	0	5,950,034	0
Federal and Other Funds Refunds	405,287	75,000	405,287
State Share of Assessment Maintenance Costs	18,218,433	16,218,433	16,218,433
Certification Compensation	94,275	100,800	100,800
County Stock Insurance Tax	150,000	150,000	0
Refunds from the State Highways and Transportation Department Fund	2,256,441	2,147,711	1,147,711
Commercial Drivers' License Information System Fees	275,000	275,000	275,000
Problem Driver Pointer System	59,207	180,500	60,000
Attorney Fees	0	15,000	15,000
Motor Fuel Tax Distribution to Cities and Counties	175,914,612	188,000,000	188,000,000
Aviation Trust Fund Refunds	157,927	16,000	157,927
Motor Fuel Tax Refunds	33,510,071	44,219,423	19,219,423
Prosecuting Attorneys and Collection Agencies	2,096,914	2,728,000	2,728,000
County Filing Fees	169,364	200,000	200,000
Contingency Fees for Collection Enhancements	0	0	2,500,000
Refunds from Workers' Compensation Fund	526,203	1,669,902	1,669,902
Refunds from Second Injury Fund	700,725	498,966	248,966
Tobacco Tax Refunds	363,207	62,000	363,207
Refunds from Motor Vehicle Commission Fund	7,465	12,000	12,000
Multistate Tax Commission Dues	232,101	174,701	174,701
Debt Offset Refunds	10,452,615	10,512,884	10,512,884
Income Tax Refund Designations	374,701	333,224	333,224
TOTAL	\$ 1,362,605,060	\$ 1,384,139,578	\$ 1,446,142,465
General Revenue Fund	1,148,428,915	1,146,968,076	1,233,983,433
Health Initiatives Fund	86,276	42,000	86,276
Gaming Proceeds for Education Fund	323,803	25,000	323,803
Gaming Commission Fund	49,075	25,000	49,075
Solid Waste Management Fund	32,409	25,000	32,409
Motor Vehicle Commission Fund	7,465	12,000	12,000
Conservation Commission Fund	0	0	34,609
State School Moneys Fund	191,721	17,000	191,721
State Highways and Transportation Department Fund	36,100,719	46,837,634	21,267,134
Workers' Compensation Fund	526,203	1,669,902	1,669,902
Second Injury Fund	700,725	498,966	248,966
Motor Fuel Tax Fund	175,914,612	188,000,000	188,000,000
Fair Share Fund	85,210	3,000	85,210
Aviation Trust Fund	157,927	16,000	157,927

REFUNDS FROM GENERAL REVENUE

This appropriation is utilized to refund erroneous payments or overpayments of individual and corporate income taxes and other miscellaneous taxes that have been credited to general revenue.

Fiscal Year 2004 Governor's Recommendations

- \$91,200,000 for a total recommendation of an estimated \$1,201,800,000.

DEPARTMENT OF REVENUE

REFUNDS AND DISTRIBUTIONS (Continued)

ARTICLE X REFUNDS

Article X, Sections 16-24, Constitution of Missouri, requires refunds to taxpayers when the limit on total state revenues established in Article X is exceeded by one percent or more. The excess revenues are to be refunded pro rata based upon taxpayer liability reported on the Missouri state income tax returns filed following the close of the fiscal year in which the revenue limit was exceeded.

Fiscal Year 2004 Governor's Recommendations

- (\$5,950,034) core reduction from the Fiscal Year 2003 appropriation level.

REFUNDS FROM FEDERAL AND OTHER FUNDS

This appropriation is utilized to refund erroneous payments or overpayments of taxes that have been credited to funds besides general revenue.

Fiscal Year 2004 Governor's Recommendations

- \$330,287 federal and other funds for a total recommendation of an estimated \$405,287.

STATE SHARE OF ASSESSMENT MAINTENANCE COSTS

The state reimburses a portion of the costs and expenses for maintaining property assessments and preparing assessment lists and tax bills for township assessors, county assessors, and the St. Louis City Assessor. The state also reimburses all county assessors, except those in first-class chartered counties, on a quarterly basis provided they remain certified with the State Tax Commission.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

COUNTY STOCK INSURANCE TAX

The county stock insurance tax is a two percent per annum tax levied on direct premiums received by stock insurance companies doing business in the State of Missouri. Through the provisions of Section 148.330, RSMo, the receipts of the county stock insurance tax are distributed by the state to the county treasurers and treasurers of the school districts of counties in which stock insurance companies are located.

Fiscal Year 2004 Governor's Recommendations

- (\$150,000) core reduction from the Fiscal Year 2003 appropriation level.

REFUNDS FROM THE STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND

When an overpayment or error is made on a transaction credited to the state highways and transportation department fund, the difference is refunded to the individual or business involved.

Fiscal Year 2004 Governor's Recommendations

- (\$1,000,000) state highways and transportation department fund transferred to the Department of Transportation.

DEPARTMENT OF REVENUE

REFUNDS AND DISTRIBUTIONS (Continued)

COMMERCIAL DRIVERS' LICENSING INFORMATION SYSTEM

The federal Commercial Motor Vehicle Safety Act of 1986 required states to develop uniform commercial drivers' licensing systems or face the loss of federal highway funds. HB 3 (1989 Special Session) made the necessary changes to Missouri law to implement the commercial drivers' licensing information system.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

PROBLEM DRIVER POINTER SYSTEM

The federal government required states to implement a problem driver pointer system by April 1995 to identify and manage problem drivers or face the loss of federal highway funds.

Fiscal Year 2004 Governor's Recommendations

- (\$120,500) state highways and transportation department fund core reduction from the Fiscal Year 2003 appropriation level.

ATTORNEY FEES

The Department of Revenue is required by Section 302.536, RSMo, to pay court costs and attorney fees of persons who have an appellate court reversal of a Section 302.535, RSMo, (DWI) suspension or revocation.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

MOTOR FUEL TAX DISTRIBUTION TO CITIES AND COUNTIES

Article IV, Section 30(a)(2), Constitution of Missouri, requires 15 percent of the net proceeds from the motor fuel tax collections be allocated to the incorporated cities, towns, and villages of the state to assist in the maintenance of streets and highways.

Article IV, Section 30(a)(1), Constitution of Missouri, requires that 10 percent of the net proceeds from motor fuel tax collections be distributed to the counties to assist in the maintenance of county roads, highways, and bridges. On August 4, 1992, voters approved Constitutional Amendment No. 8 to require that 15 percent of the net proceeds resulting from any increase in the motor fuel tax rate over the rate in effect on March 31, 1992, be distributed to the counties to assist in the maintenance of county roads, highways, and bridges.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

REFUNDS FROM AVIATION TRUST FUND

Taxes paid by commercial agricultural aircraft operators for aviation fuel used in commercial agricultural aircraft must be refunded upon application for a refund.

Fiscal Year 2004 Governor's Recommendations

- \$141,927 aviation trust fund for a total recommendation of an estimated \$157,927.

DEPARTMENT OF REVENUE

REFUNDS AND DISTRIBUTIONS (Continued)

MOTOR FUEL TAX REFUNDS

Section 142.230, RSMo, provides for refunds of taxes paid on fuel used to propel non-highway vehicles. Refunds of fuel taxes paid to propel agricultural, marine, and industrial/commercial vehicles are examples of allowable non-highway refunds. Unclaimed marine refunds are transferred to counties having at least 100 miles of shoreline for the purpose of maintaining county roads and bridges.

Fiscal Year 2004 Governor's Recommendations

- (\$25,000,000) state highways and transportation department fund transferred to the Department of Transportation.

PAYMENTS TO PROSECUTING ATTORNEYS AND COLLECTION AGENCY FEES

Section 136.150, RSMo, provides for payment of a collection fee of 20 percent of delinquent taxes, licenses, or fees recovered on behalf of the state by circuit or prosecuting attorneys. The collection fee is deposited in the county treasury with one-half of the fee for use by the attorney's office and one-half to be expended as the county determines. This incentive program provides additional resources to counties and a five-to-one benefit/cost ratio to the state.

The Department of Revenue is authorized by Section 140.850, RSMo, to use commercial collection agencies to collect delinquent personal income taxes owed by resident and non-resident taxpayers. The statutes permit payment of a collection fee not to exceed 25 percent of the amount collected. This program provides at least a four-to-one benefit/cost ratio to the state.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

COUNTY FILING FEES

The Department of Revenue is authorized to file tax liens on property owned by taxpayers that are delinquent in income tax or sales/use tax. County recorders charge the Department of Revenue a fee of \$3.00 for the filing of each tax lien and a fee of \$1.50 for each release of a tax lien filed on property owned by taxpayers that are delinquent in income tax or sales/use tax.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

CONTINGENCY FEES FOR COLLECTION ENHANCEMENTS

The Department of Revenue will contract with a private firm to generate additional general revenue collections through enhancements to its Computerized Assisted Collection System. The vendor will only be paid to the extent that the enhancements generate additional revenue in excess of an agreed upon baseline amount.

Fiscal Year 2004 Governor's Recommendations

- \$2,500,000 for revenue enhancements to the department's collection system, including \$1,915,391 general revenue.

REFUNDS FROM THE WORKERS' COMPENSATION FUND

The Department of Revenue is required to issue refunds for overpayment of workers' compensation taxes paid by insurance companies. Estimated quarterly tax payments are made based on the prior year's activity. If actual taxes owed are less than the estimated payments, this appropriation is used to refund the overpayment.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

REFUNDS AND DISTRIBUTIONS (Continued)

REFUNDS FROM THE SECOND INJURY FUND

This appropriation is utilized by the Department of Revenue to refund any overpayment of funds to the second injury fund.

Fiscal Year 2004 Governor's Recommendations

- (\$250,000) second injury fund transferred to the Department of Labor and Industrial Relations.

TOBACCO TAX REFUNDS

These funds are used to make refunds for overpayments or erroneous payments of amounts that have been credited to the health initiatives fund, state school moneys fund, and the fair share fund for tobacco taxes.

Fiscal Year 2004 Governor's Recommendations

- \$301,207 other funds for a total recommendation of an estimated \$363,207.

REFUNDS FROM THE MOTOR VEHICLE COMMISSION FUND

These funds are utilized to make refunds for overpayments or erroneous payments of amounts that have been credited to the motor vehicle commission fund.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

MULTISTATE TAX COMMISSION DUES

The Multistate Tax Commission and Compact facilitate determination of the tax liability of multi-state taxpayers, promote uniformity and compatibility in tax systems, avoid duplicative taxation, and provide taxpayer convenience in filing tax returns.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

DEBT OFFSET REFUNDS

Chapter 143, RSMo, provides a mechanism to offset debts owed to the state against tax refunds payable to the debtor. The Department of Revenue transfers to the State Treasurer the amount of the debt certified to be owed to a state agency in an amount not exceeding the tax refund claimed. Any amount in excess of the debt is forwarded to the taxpayer. Upon settlement of the claim through the established administrative hearings process, the escrow funds are returned to the state agency and/or the payee.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

INCOME TAX REFUND DESIGNATIONS

State statutes permit individuals and corporations to contribute a portion of any income tax refunds that they are owed to four separate state trust funds. The four trust funds include the children's trust fund (Section 210.174, RSMo), the division of aging elderly home delivered meals trust fund (Section 660.078, RSMo), the veterans' trust fund (Section 42.140, RSMo) and the Missouri National Guard trust fund (Section 41.215, RSMo). The amounts designated by taxpayers for distribution to the four trust funds are transferred from the general revenue fund.

Fiscal Year 2004 Governor's Recommendations

Continue funding at the current level.

DEPARTMENT OF REVENUE

STATE LOTTERY COMMISSION

The Missouri State Lottery was established by voter approval of constitutional amendment No. 5 on November 6, 1984. On August 2, 1988, voters approved Constitutional Amendment No. 3 to revise the lottery prize structure and certain promotional restrictions.

Fiscal Year 2004 Governor's Recommendations

- \$4,016,000 lottery enterprise fund for costs related to anticipated ticket sales increases.
- \$41,369 lottery enterprise fund for pay plan.

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	GOVERNOR RECOMMENDS FY 2004
Operating Expense			
Personal Service	\$ 6,352,709	\$ 6,570,699	\$ 6,612,068
Expense and Equipment	36,639,897	36,938,817	40,954,817
Prizes	<u>76,239,977</u>	<u>80,000,000</u>	<u>80,000,000</u>
TOTAL			
Lottery Enterprise Fund	\$ 119,232,583	\$ 123,509,516	\$ 127,566,885

Full-time equivalent employees	181.17	178.50	178.50
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LOTTERY ENTERPRISE FUND TRANSFER

Section 39(b) of Article III of the Missouri Constitution provides that a minimum of 45 percent of moneys received from the sale of lottery tickets shall be paid as prizes. On August 4, 1992, voters approved Constitutional Amendment No. 11 to dedicate net lottery proceeds to fund public institutions of elementary, secondary, and higher education.

Fiscal Year 2004 Governor's Recommendations

- \$186,898,100 lottery enterprise fund transfer to the lottery proceeds fund.

	FY 2002 EXPENDITURE	FY 2003 APPROPRIATION	GOVERNOR RECOMMENDS FY 2004
Lottery Enterprise Fund	\$ 160,092,441	\$ 193,898,100	\$ 186,898,100